

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 3641 - SB 3572

March 7, 2012

**SUMMARY OF BILL:** Requires notice to be given to adjoining property owners when a zoning ordinance, subdivision plat, or annexation is being proposed. Requires the municipal or county zoning board or municipal or regional planning commission, to provide advance notice, in addition to newspaper publication, to the neighboring affected property areas either in the county or municipality or in an abutting city or county within a one-mile radius of the location of the proposed or amended zoning ordinance or plat approval. Requires a municipality to provide advance notice, in addition to newspaper publication, to property owners within an area to be annexed and to owners of neighboring properties in the county or municipality or in an abutting city or county within a one-mile radius of the location of the proposed annexation. Defines “advance notice” as at least 60 days’ notice prior to the date a final determination will be made on a zoning ordinance or amendment to a zoning ordinance, approval of a subdivision plat or annexation of an area by a municipality.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – The increase in local government expenditures will be dependent upon several factors: the extent of newspaper publications that would be required for these types of city and county actions; the number of zoning ordinances or amendments to zoning ordinances, annexations, or approvals of a subdivision plat that will be acted upon state-wide each year; that counties that will be affected; the population of the area within a one-mile radius of the location of the proposed action; and the type and cost of mail notification sent to property owners. Due to several unknown factors, a precise fiscal impact cannot be determined; however, it is estimated that the increase to local government expenditures for newspaper and property owner notification before final approval for zoning ordinances, subdivision plats, or annexations, will exceed \$100,000.\***

Assumptions:

- It is assumed that in the event of a zoning ordinance, amendment to a zoning ordinance, approval of a subdivision plat, or an annexation, all expenditures associated with the required notice will be incurred by local governments.
- The required notice related to zoning ordinances or amendment to such zoning ordinances, submission of a subdivision plat for approval, or annexation of an area by a municipality, in a local newspaper will impact local governments. The number of zoning

HB 3641 - SB 3572

ordinances, subdivision plats, and annexations affecting property in a municipality or county is unknown and will vary across the state.

- Publishing any additional legal notices in statutorily required local newspapers will increase local expenditures.
- The cost to publish any of additional required notices in a local newspaper will depend upon several unknown factors including the extent of such actions by local governments; the extent of notices that local governments will be required to publish; the size and length for any required notification; the duration of publication for any required notification; and the rate charged for any required notification.
- Notice must be given to the neighboring affected property areas in the county or city or in an abutting city or county residing within a one-mile radius of the location of the proposed or amended zoning ordinance, plat approval, or proposed annexation. Notice must also be given to property owners within the area to be annexed.
- Depending on the area affected by the zoning ordinance, the subdivision plat, or an annexation, local expenditures will increase exponentially. The greater the population density of the affected areas, the greater the cost of mail notification.
- Due to the extent of unknown factors, a precise fiscal impact to local governments is difficult to determine. However, it is reasonable to estimate that this legislation will result in a recurring increase in local expenditures exceeding \$100,000.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', followed by a small flourish or initial.

Lucian D. Geise, Executive Director

/rct